

## Governor's Office of Planning and Research Readiness Review Table

**Overall Assessment:** The oversight roles need to be clarified and coordinated between the federal and state entities. The Office of Planning and Research (OPR) will pass through funding to California Volunteers (CV) and Office of the Secretary of Education (OSE). CV is ready to receive, expend and oversee American Recovery and Reinvestment Act (ARRA) funding. CV has significant experience in administering federal grants and complying with the associated regulations. Further, their ARRA funding is being disbursed through existing programs, and they have been proactive in identifying and addressing their fiscal and programmatic risks. OPR/OSE considers themselves simply as a pass-through entity with limited control or oversight via an interagency agreement prepared by OPR over the ARRA funds going to the California Department of Education (CDE), the California Department of Corrections and Rehabilitation (CDCR), The University of California (UC), and the California State University (CSU).

**Recommendation:** Since these relationships are complex, all expectations and responsibilities should be clearly communicated among the participating organizations. In addition, OPR should confirm in writing their oversight and reporting requirements as a pass through entity with their federal oversight agency. Furthermore, OPR/OSE should clearly define in their interagency agreements each ARRA related requirements and expectations of the implementing departments.

|  | Expectation Met | Comments  |
|--|-----------------|---|
| <b>Oversight and Fraud Prevention</b>  |                 |   |
| Knowledgeable about departmental oversight responsibility  | P               | CV is knowledgeable about their oversight responsibility. However, OPR considers themselves as a pass through entity. Therefore, responsibilities need to be clearly communicated in the interagency agreements currently being drafted by OPR. |
| Clear guidance has been received from federal agency on departmental oversight roles and responsibilities for funds provided directly to localities. | N/A             | There are no funds provided directly to localities that the department is responsible for oversight.  |
| Departmental risk assessments prepared and ARRA risks are addressed  | P               | CV - Not formally. However, CV has made significant progress in identifying and correcting risks that would impact ARRA funding. OPR/OSE - did not provide a risk assessment.   |
| Communication with federal oversight agency  | Y               | Constant contact with their federal oversight agency.   |
| Administrative costs established with federal oversight agency   | P               | OPR is waiting for additional guidance from the federal oversight agency. CV has received guidance from their federal oversight agency.   |

|  | Expectation Met | Comments   |
|--|-----------------|--|
| Fraud awareness training   | P               | CV—Annual conference covers fraud training. OPR/OSE—will place reliance on departments that will implement their ARRA program.   |
| Financial Integrity and State Manager's Accountability Act (FISMA)<br>Compliant—Department prepared a 2007 FISMA report on the adequacy of the entity's systems of internal control and submitted a corrective action plan within 6 months                         | P               | OPR Submitted their 2007 FISMA in March 2009. Follow up meeting to be scheduled with the director in May 2009.   |
| ARRA review performed in April 2009 by Government Accountability Office (GAO)  | Y               | GAO issued a report (GAO-09-580) dated April 2009. In the report, GAO provided general recommendations, such as, additional guidance from federal agencies is needed for local and state entities.   |
| Tracking system in place to address prior audit findings   | Y               | Tracking system is in place. CV had a prior BSA single audit. 1 of 3 findings corrected. In addition, CV has signed an interagency agreement with the Office of State Audits and Evaluations that may assist in correcting the remaining two findings. |
| Submitted California Strategic Growth Plan—Bond Accountability Plans   | N/A             | Did not receive any California Strategic Growth Plan Infrastructure Bond funds. Therefore, a California Strategic Growth Plan was not required to be submitted.  |
| <b>Grants Management and Accountability</b>  |                 |  |
| Recipient training   | P               | CV—Multiple conference calls with grantees. Grantees to participate in federally funded annual conference in June. Supplemental ARRA specific training requested for July. OPR/OSE will not provide any training to recipients.                        |
| Competitive grants and fixed-price agreements  | Y               | Grantees have been selected based upon federal guidelines.   |
| Grant agreements are clear, specific, and meet ARRA requirements. Such as, site visits, administrative costs, interest, progress reports, budgets, modifications, record retention policy, match, list of ineligible expenditures, notification of possible audit) | P               | CV is currently updating the contract language to conform to ARRA guidance. OPR/OSE is still drafting their interagency agreement.   |

|  | Expectation Met | Comments  |
|--|-----------------|---|
| Measures in place to ensure contractors and grantees are paid within 30 days of invoicing                                  | Y               | CV—Does not anticipate a problem. Weekly processing of payments.  |
| Department is requiring specific ARRA required data elements to be tracked (jobs created/saved, project status info, etc.) | Y               | Following federal oversight agency's guidance published thus far.   |
| Certification letters are required by applicant  | N               | CV and OSE—Certification letter are not currently included in all interagency agreements and grant agreements.  |
| Coordinating with other entities for programs with similar goals and purpose to reduce duplication of funding              | Y               | OSE is coordinating with UC, CSU, CDCR, CDE, and OPR. CV is coordinating with OPR and AmeriCorps.   |
| Working with grantees to develop performance measures  | Y               | Based upon guidance from federal oversight agency.  |
| Performing risk assessments and/or audits on recipients awarded ARRA funds   | Y               | CV—As a standard practice CV monitors grantees in the following areas: Fiscal compliance, results of desk reviews, results of audits, past performance, compliance with due dates, and responsiveness to corrective action plans. High risk grantees are more closely monitored and provided additional training and technical advice as needed.<br>OPR/OSE—Not applicable since four recipients were already selected. |
| <b>Reporting Requirements</b>  |                 |   |
| Aware and prepared to track ARRA funds separately  | Y               | Aware and prepared to track ARRA funds separately.  |
| Department is prepared to track and report on jobs created/saved   | P               | CV—Not a jobs creation program. Collection of jobs data not a likely requirement, but CV plans to seek guidance from their federal oversight agency. OPR/OSE—No guidance yet from federal oversight agency.   |
| Established a communication method with the federal agency to transmit reporting data promptly                             | P               | CV—Existing programmatic and fiscal communication channels.<br>OPR/OSE—We recommend the interagency agreement require departments establish communication method with grantees and OPR/OSE.   |

|   | Expectation Met | Comments  |
|---|-----------------|---|
| Mechanism in place to ensure all data is reviewed for accuracy prior to reporting | N               | CV—Unclear what the requirements will be from federal oversight agency. Grantees may be required to report directly, if so CV plans to reconcile the data. CV has asked for guidance in this area from their federal oversight agency. OPR/OSE should develop appropriate measures to ensure grantees and implementing departments review data for accuracy prior to reporting. |
| IT system prepared and capable of capturing required data elements                | P               | CV—Federal oversight agency will provide a system for CV to use. OPR/OSE—should confirm that their implementing departments have the capability of capturing and reporting required data elements.  |
| <b>Transparency</b>   |                 |   |
| Website is informative, clear, and user friendly                                  | N               | CV has ARRA related information under their grants page. OPR does not currently have ARRA specific information available on their website. OSE has ARRA related information on their homepage. Effort should be coordinated to insure all required data is accurately reflected on the individual websites and agrees with the Recovery.ca.gov data.                            |
| <b>Challenges Identified by Department</b>  |                 |   |
| During the readiness interview, department staff identified concerns              |                 | State and federal audit coordination is needed to prevent duplication of efforts.   |
|   |                 | Continuous updates of federal guidelines and required data elements subsequent to project funding.  |

**Tickmarks:**

Y = Yes. The expectation is being met.

P = Partial. The expectation is being partially met.

N = No. The expectation is not currently being met.

N/A = Not applicable.